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central organizations. Other industrial production is planned and measured in gross value according to stable planning prices. Therefore, practically the entire industrial production is planned; this places great demands on industrial organization. It may be assumed that progress in production will be far greater than in the first year of the Five-Year Plan, when, according to present estimates, production exceeded the 1948 production by roughly 10 percent. The Five-Year Plan assumes an over-all rise of 57 percent in industrial production by 1953. Not even one fifth of this increase occurred in 1949. Production must be further increased, therefore, in 1950. The greatest tasks are placed in the key production sectors such as metallurgy, heavy machinery, and construction.

#### INTRODUCES NEW SYSTEM OF ENTERPRISE MANAGEMENT -- Hospodar, No 1, 5 Jan 50

The successes of the SVIT and CZKG (Czechoslovak Leatherworking and Rubber Factories) state enterprises in the two-year plan were, in part at least, the result of the organizational system introduced in those enterprises. The system makes possible an accurate breakdown of the plan down to individual workshops, accurate control of the plan fulfillment, just compensation for labor, etc. This organizational method is called the SPH (Socialist Enterprise Management).

An organizational section whose task is to assist other state enterprises in introducing the SPH system, has been established at the SVIT state enterprise.

The three principles of the SPH are scientific management of work, autonomy of units in the enterprise, and decentralization. The latter means that the enterprise is divided into as many units as necessary to make each, as far as its work is concerned, a homogeneous unit that can be controlled by one manager.

#### DESCRIBES METALLURGICAL ACTIVITIES -- Hospodar, No 3, 19 Jan 50

The activities of the individual branches of the Czechoslovak Metallurgical Plants state enterprise were as follows in 1949:

##### Planning

A planning branch was created and all planning bodies placed under it. The branch has three sections: operational planning, plan control, and statistics. These sections began to perform their functions in 1949 and prepared the 1950 plan. The so-called "detail plan," the task of which is to direct centrally the allotment of orders for rolled goods among the producing plants, according to rolling capacity, has been established within the framework of the planning section. As far as plan control is concerned, the monthly planning conferences, at which the results were compared and the plan for the coming months was discussed, proved to be good. The statistical section developed its activity in accordance with the directives of the enterprise and the plant statistical report of the metallurgical industry. The indexes were set up on the basis of the data thus obtained.

##### Production

The 1949 goals of metallurgical production were substantially higher than the target figures of the Five-Year Plan for 1949. Labor productivity in the metallurgical plants was rising in 1949. Labor procurement will continue to be one of the most difficult tasks of the industry. Complaints received, including those which failed to be recognized for lack of proof, constituted only 0.057 percent of the entire production in 1948 and only

- 2 -

CONFIDENTIAL

**CONFIDENTIAL**

**CONFIDENTIAL**

CONFIDENTIAL

50X1-HUM

60557 percent in the first half of 1949, despite the fact that the goals, both quantitatively and qualitatively, were substantially higher. The classification of work into the wage-schedule classes, in accordance with merit, was introduced in the Czechoslovak Metallurgical Plants in 1946 and covered 94.7 percent of the entire labor force in 1949. The piecework and incentive systems covered 79 percent of the total number of hours worked.

#### Administration

The reorganization of the state enterprises, as a result of which the enterprise managements were abolished and 12 basic enterprises with affiliated subsidiary plants were established out of the original four state enterprises, was carried out on 30 June 1949. Of these 12 enterprises, 11 are engaged in manufacturing and one, the Hutni Prodejna (Metallurgical Sales Outlet), sells metallurgical products on the domestic market. Enterprise accounting was introduced in all the enterprises; it has been fully used since the beginning of 1950. Thus, the basis for enterprise autonomy has been laid.

#### Trade

Consistent separation of the distribution components from the production itself has been carried out. The former sales outlets of the central body have been combined into an independent state enterprise for domestic sales. The purchase and sale of raw materials and metallurgical products abroad has been entrusted to the newly created monopoly corporations. The trade branch of the production central has assumed a directing, coordinating, and control character. A transport center, the task of which was to direct movements between individual plants and the Czechoslovak State Railroads, was established under the trade branch.

#### Manpower

The labor shortage, which has existed since 1946, continued in 1949 for the following reasons:

1. High fluctuation caused by alternation of long-term brigade members.
2. Withdrawal of employees to the branches of light industry.
3. Shortage of living quarters.
4. Lack of growth of permanent employee cadres (even an occasional decrease) and growth of temporary cadres.
5. Increase of production and expansion of operations.

Only the inflow of new labor from apprentices can guarantee a permanent improvement.

Independent training sections have been established in the cadre branches of all levels, from the Ministry of Industry down to the plants. The training sections train youths and educate employees politically and technically.

Accomplishments in 1949 included the following:

1. New training centers for youths were established at Vrchoslav for the Dratovna a Sroubarna (Wire and Screw Plants) state enterprise and at Chomutov for the Valcovna Trub (Pipe-Rolling Mill) state enterprise.

- 3 -

CONFIDENTIAL

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CONFIDENTIAL

50X1-HUM

2. Construction of three modern youth houses was begun.
3. The main efforts were devoted to the systematic improvement of training conditions and means, as well as to expanding recruiting.
4. A 14-day political education program for all higher-level employees was introduced.
5. Many hundreds of employees received political training by the Party and the trade unions.
6. The technical standard was raised by additional training of employees and by technical training courses, for which plant work schools were established in all the larger plants. Extensive technical training of middle-grade technical cadres (masters and foremen) was prepared for 1950 with the cooperation of the URO (Central Council of Trade Unions) work schools.
7. The Ustredni Delnicka Skola (Central Workers' School), the first of its type in Czechoslovakia, has been opened. It trains, politically and technically, especially selected employees from among the worker cadres. The graduates of this school will be placed in higher positions in the metallurgical plants.

CHANGE ALLOTMENT SYSTEMS FOR FERROUS, NONFERROUS METALS -- Hospodar, No 51,  
22 Dec 49

Following the liquidation of the allotment program of the economic groups of the Central Union of Industry, of the individual industrial unions, and of the units and associations of the Central Union of Trades, steel and cast-iron materials and nonferrous metals have been allotted to consumers by the respective central organizations of the nationalized industry.

Because of the decentralization and planning, and with the view of transferring the production to higher forms of undertaking, this program will be transferred to the organizations of the people's administration. Beginning in 1950, steel and cast-iron materials and nonferrous metals will be allotted to industrial, communal, cooperative, and private enterprises, as authorized by the Ministry of Industry and in accordance with the regulations governing management, by the kraj national committees.

- E N D -

- 4 -

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